



**NYSID  
CORPORATE COMPLIANCE PLAN**

January 2019



**TABLE OF CONTENTS**

TABLE OF CONTENTS.....3

OVERVIEW ..... 4

A. CODE OF ETHICAL BUSINESS CONDUCT .....5

Introduction.....5

The Compliance Officer .....5

The Process .....5

ELEMENTS OF NYSID’S CODE OF ETHICAL BUSINESS CONDUCT 6

Key Areas.....6

1. Act in Accordance with our Core Values.....7

2. Conflicts of Interest and Corporate Opportunities..... 7

3. Confidentiality.....8

4. Protection and Proper Use of NYSID Assets.....8

5. Gifts and Gratuities.....8

6. Information Systems Issues.....9

7. Not-for-Profit and Tax Exemption Considerations.....9

8. Political Activity.....10

B. “WHISTLE-BLOWER” POLICY .....11

Reporting.....11

Definitions.....12

Rights and Responsibilities.....12

Investigation.....13

Whistle-Blower Protection.....13

C. RECORDS RETENTION POLICY .....15

ATTACHMENT “A” ..... 17

CONFLICT OF INTEREST POLICY.....17

ATTACHMENT “B” ..... 21

ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT.....21

ATTACHMENT “C” ..... 23

GUIDELINES FOR DISPOSITION OF E-MAILS .....23

ATTACHMENT “D” ..... 24

RECORDS RETENTION SCHEDULE.....24

ACKNOWLEDGMENT.....28

## OVERVIEW

For more than forty years, New York State Industries for the Disabled, Inc. (NYSID) - a not-for-profit member agency organization has been meeting the purchasing needs of state and local government agencies while advancing employment for New Yorkers with disabilities.

NYSID's mission is *“Advancing employment and other opportunities for individuals with disabilities.”* Its vision is *“To be the premier job creation entity for individuals with disabilities through Preferred Source growth, business innovation, partnerships, and employment advocacy in New York and beyond.”*

Under the New York State Preferred Source Program, NYSID acts as a “virtual storefront” for a statewide network of more than 150 community rehabilitation agencies and corporate partners that employ skilled people with disabilities in both facility-based settings and community-based jobs.

To preserve and enhance NYSID's well-deserved reputation, everyone associated with NYSID, including its Board of Directors, management and staff members, must share a commitment not only to NYSID's mission but also to compliance with the numerous laws, regulations, and policies that govern NYSID's conduct.

NYSID developed this Corporate Compliance Plan to assist it in meeting its long-range strategic objectives. In this Plan, NYSID has summarized the internal and external provisions that govern various legal and ethical requirements that NYSID must meet. The Plan is composed of three basic elements:

- A. Code of Ethical Business Conduct
- B. “Whistle-Blower” Policy
- C. Records Retention Policy

A failure to follow existing law can damage NYSID's reputation and threaten its ability to carry out its mission. Unlawful behavior also may result in criminal liability and fines.

Individuals who knowingly materially violate or recklessly disregard this Compliance Plan, or the laws, regulations and policies which govern NYSID will face consequences, which may include termination.

NYSID's ability to achieve compliance with the law depends upon its ability to recognize, avoid, and remedy existing problems. NYSID's compliance, therefore, depends not only upon a choice to “follow the rules” but also an obligation to its mission, its institution, and all those who serve NYSID in any capacity.

Through NYSID's collective efforts it is confident that it can and will enhance its existing reputation for integrity and excellence.

## **A. CODE OF ETHICAL BUSINESS CONDUCT**

### **Introduction**

NYSID recognizes that there may be instances where an employee, volunteer, Director or key person may learn of a practice at NYSID that may not be in compliance with the Code of Ethical Business Conduct. While there are many different ways for an employee, volunteer, Director or key person to address those concerns, NYSID recognizes that the choice will likely depend upon relationships with the particular individuals involved in the conduct at issue; upon relationships with supervisors; or upon knowledge of the laws, regulations and policies governing the practice that is of concern. NYSID wants to assure employees, volunteers, Directors and key persons that this Compliance Plan, exists to help them when they are unable, for any reason, to assure themselves that the conduct in question is in fact a violation of the Code of Ethical Business Conduct. In those instances, NYSID fully expects that individuals will promptly inform the Chief Compliance Officer of the issue. The Chief Compliance Officer is committed to ensuring full compliance with The Code of Ethical Business Conduct.

### **The Chief Compliance Officer**

NYSID's Vice President, Compliance, is the NYSID Chief Compliance Officer (the "Officer"). The Officer is tasked to work in unison with the President and CEO and Executive Team to aid in identifying any potential areas of non-compliance with the Code of Ethical Business Conduct through audits, to assist in investigating potential practices that may not be in Compliance with the Code of Ethical Business Conduct raised by employees, volunteers, Directors, or key persons, and to remedy any deficiencies. The Officer is responsible for administering NYSID's E&C efforts, informing appropriate individuals of this Compliance Plan, and providing or working with the appropriate department to provide any necessary training. These policies and procedures will be reviewed by the Officer, The President and CEO and the Board of Directors at least annually and revised if necessary. The Officer's work will be confidential to the extent legally possible and practicable. If requested, the Officer also will make all reasonable and legally appropriate efforts to protect the identity of the reporting individual. When the Officer completes any necessary investigation, or implements any necessary steps to address the problems detected in meeting the requirements of the Code of Ethical Business Conduct, the Officer will, whenever appropriate and within the confines of applicable law, inform the reporting individual of the result of the investigation and of any action taken concerning the issue presented.

The Officer reports directly to the President and CEO. The Officer acts as staff to the Conflicts and Ethics Committee of the Board of Directors. The Officer acts as administrator of this policy and the E&C Program. The Officer will make a report directly to the Board in each board meeting of the activities of the Officer. The Officer is also the Vice President of Compliance and is charged with monitoring activities of Members and Corporate Partners.

### **The Process**

NYSID employees, volunteers, Directors and key persons are strongly encouraged to bring concerns regarding violations of the Code of Ethical Business Conduct to the attention of

the Officer. Reports may be made in person, in writing, or over the telephone. Written communications should be marked “CONFIDENTIAL.” Although reports may be made anonymously, in order for the Officer to obtain more information from or respond to the reporting individual, for practical purposes it is most helpful if the reporting individual provides his or her name when the report is made. As an alternative, an employee, volunteer, Director or key person may also report violations of the Code of Ethical Business Conduct through an independent third-party organization (“TPO”) with whom NYSID contracts to receive such reports. Reports made to the TPO will be referred to the Officer. The Compliance Officer and the General Counsel will review all complaints made (by any means) and together determine if the complaints fall within the Officer’s purview and are a potential violation of the Code of Ethical Business Conduct. If a complaint is about the General Counsel, the President and CEO will participate in the review with the Officer. If a complaint is about the President and CEO, the Chair of the Conflicts and Ethics Committee will participate in the review with the Officer. If a complaint is about the Compliance Officer the CEO and General Counsel will review. Any complaints that are not under the purview of the Officer, will be addressed by the General Counsel or other appropriate officer. The Officer and the General Counsel will conduct a timely and efficient review.

More information regarding reporting to the TPO is provided in the “Reporting” section of the Whistle-blower Policy described below.

All reports and communications received will be kept confidential to the extent legally possible and practicable. The Officer and General Counsel will review reports and decide upon an appropriate investigation. Upon conclusion of the investigation, with the advice of legal counsel, if necessary, the Officer and General Counsel will determine any follow-up action to be taken. Any concerns about the Officer or the Officer’s actions or determination shall be brought directly to the President and CEO, the Chairperson of the Board of Directors of NYSID, or to the TPO who will refer the concern to the President and CEO.

### **ELEMENTS OF NYSID’S CODE OF ETHICAL BUSINESS CONDUCT**

The following summarizes the conduct expected from all of NYSID’s employees, volunteers, Directors, and key persons associated with NYSID, and highlights certain key areas where the potential for concerns may be significant. This Code does not replace NYSID’s Human Resources Policies and Procedures Manual (“HR Manual”), but it should provide additional useful guidance, make individuals sensitive to potential problems they may face, and help individuals to avoid particular pitfalls. Employees, volunteers, Directors, and key persons should refer to NYSID’s Code of Ethics as a supplement to this Code of Ethical Business Conduct. All employees of NYSID, whether at the senior executive level or otherwise, are expected to act ethically and appropriately at all times, and these ethical expectations are incorporated within this Code of Ethical Business Conduct.

#### **Key Areas**

NYSID is subject to many state, federal and local laws, together with various internal policies and protocols, including NYSID’s Human Resources Policies and Procedures. Employees should refer to the Human Resources Manual as a first reference for guidance.

NYSID has attempted to summarize below the general obligations arising in other key areas of NYSID's operations. The key areas are:

1. Act in Accordance with our Core Values
2. Conflicts of Interest and Corporate Opportunities
3. Confidentiality
4. Protection and Proper Use of NYSID Assets
5. Gifts and Gratuities
6. Information System Issues
7. Not-for-Profit and Tax Exemption Considerations
8. Political Activity and Interaction with Elected Officials and Government Agencies.

## 1. **Act in Accordance with Our Core Values**

In March 2018 NYSID's Executive Team and Board of Directors developed a statement of Core Values. All Employees, volunteers, Directors and key persons should know the Core Values and operate in the spirit of the Core Values on behalf of NYSID.

**Diligence.** We work tirelessly on behalf of individuals with disabilities to discover new, as well as expand, existing employment opportunities and other quality of life measures.

**Integrity.** We act with the highest levels of honesty, transparency, fairness and ethical conduct in all business decisions to earn and retain the trust and confidence of our peers, members and oversight agencies.

**Collaboration.** We engage staff, members, and community partners in our efforts to uncover and synthesize the best ideas in our work to improve the lives of the individuals we serve.

**Innovation.** We embrace and manage change through responsive leadership and data informed decision making that aligns with our vision.

**Partnerships.** We value our relationships with our customers, members and key stakeholders which are based on shared missions and mutual goals.

## 2. **Conflicts of Interest and Corporate Opportunities**

A conflict of interest may arise where an employee, volunteer, Director, or key person stands to benefit personally as a result of a transaction or other arrangement involving NYSID, or where the interests of an employee, volunteer, Director or key person could be seen as competing with the interests of NYSID. All NYSID employees, volunteers, Directors and key persons owe loyalty to the organization and, therefore, should avoid any actual or apparent material conflicts of interest. While conflicts can arise in many different contexts, in general NYSID expects that all employees, volunteers, Directors and key persons will put the interests of NYSID ahead of

their personal concerns, and will not seek to benefit themselves at the expense of, or as a result of, their affiliation with NYSID.

A NYSID employee with a potential or actual conflict of interest in a particular matter shall promptly and fully disclose the conflict to his or her supervisor. Directors, officers, and key persons of NYSID, as defined in the Conflict of Interest Policy included as Attachment A, shall instead follow the conflict disclosure procedures described in the Conflict of Interest Policy.

In addition, in carrying out their duties and responsibilities, employees, volunteers, Directors and key persons should advance the interests of NYSID when the opportunity to do so arises. As such, they should avoid (a) taking for themselves personally or for any family member opportunities that are discovered in carrying out their duties and responsibilities, (b) using NYSID property or information, or their positions at NYSID, for personal gain, and (c) competing with NYSID, in each case, to the material detriment of NYSID. (Whether any of the foregoing actions is to the material detriment of NYSID will be determined by the Board of Directors of NYSID or a duly authorized committee of the Board, based on all relevant facts and circumstances.)

### **3. Confidentiality**

Employees, volunteers, Directors and key persons must respect the confidentiality of information that they acquire in carrying out their duties and responsibilities, except where disclosure is approved by NYSID or legally mandated. Confidential information includes, but is not limited to, all non-public information about NYSID, its member organizations and certain information that may come into the possession of NYSID from other outside sources. Employees should refer to the HR Manual for further information regarding disclosure of confidential information.

### **4. Protection and Proper Use of NYSID Assets**

Employees, volunteers, Directors and key persons are expected to promote the responsible use and control of NYSID's assets and resources. NYSID assets, such as information, materials, supplies, tax exemption certificates, intellectual property, facilities, software, and other assets owned or leased by NYSID, or that are otherwise in NYSID's possession, should be used only for legitimate purposes of NYSID, and not for personal use.

### **5. Gifts and Gratuities**

Employees, volunteers, Directors and key persons are expected to be aware that the receipt or giving of gifts by NYSID personnel may raise questions about relationships with NYSID's member agencies, vendors, governmental officials, or others with whom NYSID interacts. NYSID must always refrain from activities that could possibly be construed as an attempt to improperly influence these relationships. Employees, volunteers, Directors and key persons should not offer or receive a gift in circumstances where it could reasonably appear or be perceived that the purpose of the gift is to improperly influence NYSID's relationship with a vendor, regulator, or other person or entity.

It is NYSID's policy to reimburse its employees, volunteers, Directors, key persons and other agents for all reasonable expenses, including meals, entertainment, and travel, that are appropriately incurred while conducting NYSID's business. Rarely, therefore, will justification exist for an individual to permit someone else to pay for such items. NYSID expects that if individuals follow the NYSID policy and exercise reasonable judgment and common sense with respect to gifts and gratuities, individuals will avoid situations that might bring their or NYSID's integrity into question. If individuals have any questions in connection with the receipt or offer of gifts and gratuities, they should consult their supervisors or the Compliance Officer. Any concerns regarding violations of policy in this area should be brought to the attention of the Compliance Officer or to the TPO.

## **6. Information Systems Issues**

NYSID employees, volunteers, Directors and key persons are responsible for maintaining and protecting the information used by them in connection with their duties. For example, individuals must not make inappropriate or unauthorized modifications of information, or destroy or disclose information, except as authorized. Additionally, no individual may, without the prior written consent of NYSID, use for his or her own benefit or disclose to others any confidential information obtained during employment.

Documents containing sensitive data must not be left in public view or in an unsecured location. Individuals also must be careful when they enter, secure, and store computer data. Employees should refer to the HR Manual for appropriate procedures with respect to any reports or issues concerning information systems.

## **7. Not-for-Profit and Tax Exemption Considerations**

NYSID is exempt from federal income taxation as a not-for-profit entity organized and operated for a charitable purpose. To maintain this exemption, NYSID cannot act for the benefit of a particular individual or entity. Such conduct, commonly referred to as "private inurement," is improper. Generally speaking, NYSID cannot authorize or pay compensation and benefits in excess of the "fair market value." Similarly, NYSID must receive fair market value for things such as space rented by particular individuals, or services or materials purchased by particular individuals. If fair market value is not paid or received, it could be determined that NYSID has allowed its exempt assets to benefit a private individual, and a private inurement violation can be established.

Sanctions can include civil liability, including personal liability for Directors, officers, and the individual receiving the improper benefit. Additionally, NYSID could lose its tax-exempt status. It is therefore crucial that private inurement issues be avoided. Questions regarding these issues or potential problems in this area should be referred to the Compliance Officer or to the TPO.

**8. Political Activity and Interaction with State and Local Agencies, Officials and Elected Officials**

Federal and state laws limit the way in which NYSID as an institution may participate in the political process. For example, NYSID is expressly prohibited by law from contributing to political candidates or officeholders. Employees, volunteers, Directors and key persons, of course, may personally participate in the political process if they desire to do so. Such participation, to the extent it includes campaigning or soliciting political support or contributions, must take place off NYSID premises. NYSID's assets also cannot be used to support political activity or political candidates. Employees, volunteers, Directors and key persons should not use their affiliation with NYSID in such a way as to suggest or imply that NYSID, as opposed to the individual personally, supports a particular candidate, party, or issue. Questions regarding these issues or potential problems in this area should be referred to the Compliance Officer or to the TPO. Employees, volunteers, Directors and key persons must abide by all state and local ethics and lobbying laws in regards to interaction with public agencies and officials.

## B. “WHISTLE-BLOWER” POLICY

In keeping with the policy of maintaining the highest standards of conduct and ethics, NYSID will investigate any suspected fraudulent or dishonest use or misuse of NYSID’s resources or property by employees, volunteers, Directors, consultants or vendors. NYSID is committed to maintaining the highest standards of conduct and ethical behavior and promotes a working environment that values respect, fairness and integrity. All employees, volunteers, Directors, consultants, and vendors shall act with honesty, integrity and openness in all their dealings as representatives for the organization. Failure to materially follow these standards will result in disciplinary action including possible termination of employment or business relationships, dismissal from one’s Board duties, and possible civil or criminal prosecution if warranted.

This policy shall be distributed to all Directors, officers, employees and volunteers who provide substantial services to NYSID.<sup>1</sup>

Employees, volunteers, and Directors are encouraged to report suspected fraudulent or dishonest conduct (i.e. to act as a “whistle-blower”), pursuant to the procedures set forth below.

### **Reporting**

A person’s concerns about possible fraudulent or dishonest use or misuse of NYSID resources or property should be reported to his or her supervisor or to the Officer. If for any reason a person finds it difficult to report his or her concerns to a supervisor or to the Officer, the person may report the concerns directly to one of the following:

- the President and CEO; or
- NYSID’s third-party independent reporting organization (“TPO”) Navex Global at (888) 297-0224 or online at <http://www.navexglobal.com>.<sup>2</sup>

Alternately, to facilitate reporting of suspected violations where the reporter wishes to remain anonymous, a written statement may be submitted to the TPO.

The Board of Directors of NYSID will oversee the implementation of and compliance with this policy. The Officer is designated to act as administrator of this policy and shall issue a report to the Conflicts and Ethics Committee on the administration of this policy.

---

<sup>1</sup> Note that per Section 715-B(b)(4) of the New York Not-for-Profit Corporation Law, posting the policy on NYSID’s website or at NYSID’s offices in a conspicuous location accessible to employees and volunteers are among the methods that NYSID may use to satisfy this distribution requirement.

<sup>2</sup> The hotline and website are currently staffed and supported by independent third-party organization Ethics Point, Inc.

## **Definitions**

**Baseless Allegations:** Allegations made with reckless disregard for their truth or falsity. People making such allegations may be subject to disciplinary action by NYSID and/or legal claims by individuals accused of such conduct.

**Fraudulent or Dishonest Conduct:** A deliberate act or failure to act with the intention of obtaining an unauthorized benefit. Examples of such conduct include, but are not limited to:

- forgery or alteration of documents;
- unauthorized alteration or manipulation of computer files;
- fraudulent financial reporting;
- pursuit of a benefit or advantage in violation of NYSID’s Code of Ethical Business Conduct, including the Conflict of Interest Policy;
- misappropriation or misuse of NYSID resources, such as funds, supplies, or other assets;
- authorizing or receiving compensation for goods not received or services not performed; and
- authorizing or receiving compensation for hours not worked.

**Whistle-Blower:** An employee or other individual who informs a supervisor, the Officer or other party in good faith about an activity relating to NYSID which that person believes to be fraudulent or dishonest.

## **Rights and Responsibilities**

**Supervisors:** Supervisors are required to report suspected fraudulent or dishonest conduct to one of the following: NYSID’s Officer, the Board Chair, the President and CEO, or the TPO.

Reasonable care should be taken in dealing with suspected misconduct to avoid:

- baseless allegations;
- premature notice to persons suspected of misconduct and/or disclosure of suspected misconduct to others not involved with the investigation; and
- violations of a person’s rights under law.

Due to the important yet sensitive nature of the suspected violations, effective professional follow-up is critical. Supervisors, while appropriately concerned about “getting to the bottom” of such issues, should not in any circumstances perform any investigative or other

follow up steps on their own. Accordingly, a supervisor who becomes aware of suspected misconduct:

- should not contact the person suspected to further investigate the matter or demand restitution.
- should not discuss the case with attorneys, the media or anyone other than the Officer, TPO, Board Chair, or the President and CEO.
- should not report the case to an authorized law enforcement officer without first discussing the case with the Officer, Board Chair, or the President and CEO.

### **Investigation**

All relevant and material matters, including suspected but unproved matters, will be reviewed and analyzed, with documentation of the receipt, retention, investigation and treatment of the complaint. Appropriate corrective action will be taken, if necessary, and to the extent it is appropriate to do so, findings will be communicated back to the reporting person and his or her supervisor. Under certain circumstances, complaints may warrant investigation by an independent person such as auditors and/or attorneys. Directors who are employees of NYSID may not participate in Board or committee deliberations or votes relating to administration of this policy. In addition, any person who is the subject of a complaint made pursuant to this policy may not be present at or participate in any Board or committee deliberations or votes on the matter relating to the complaint. However, the Board or relevant committee may request that such person present background information or answer questions at a meeting prior to the commencement of deliberations and voting.

### **Whistle-Blower Protection**

NYSID will protect whistle-blowers as defined below.

- NYSID will use its best efforts to protect whistle-blowers against retaliation. Whistle-blowing complaints will be handled with sensitivity, discretion and confidentiality to the extent allowed by the circumstances and the law.
- No Director, officer, employee, or volunteer who, in good faith, reports any action or suspected action taken by or within NYSID that is illegal, fraudulent, or in violation of any adopted policy of NYSID shall suffer intimidation, harassment, discrimination, or other retaliation or, in the case of employees, adverse employment consequences as a result of such a report. Employees, volunteers, Directors, and other agents of NYSID may not retaliate against a whistle-blower for informing management about an activity which that person believes to be fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of the whistle-blower's employment, including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or fees. Whistle-blowers who believe that they have been retaliated against may file a written complaint with the Officer, Board Chair, or President and

CEO. Any complaint of retaliation will be promptly investigated and appropriate corrective measures taken if allegations of retaliation are substantiated. This protection from retaliation is not intended to prohibit supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.

- Whistle-blowers must be cautious to avoid making baseless or false allegations (as described earlier in the “definitions” section of this policy).

### C. RECORDS RETENTION POLICY

The goals of this policy are:

- (1) to ensure that all non-critical records are retained for no longer than the minimum period required by law;
- (2) to eliminate accidental or innocent destruction of business records;
- (3) to ensure that all critical records are retained for a sufficient period of time; and
- (4) to ensure that records are destroyed only pursuant to a standard policy which has been developed for business reasons.

This policy shall apply to all records regardless of whether the records are stored on paper or on computer hard drives, floppy disks or other electronic media. See Attachment "C" to this Plan for the "Guidelines for Disposition of Emails."

Also attached to this Plan is a "Records Retention Schedule" (Attachment "D"). This Schedule sets forth the recommended retention periods for each category of records. The categories are intended to be general and should be interpreted as including all types of records relating to that category, including correspondence, notes, reports, etc. Documents that are sent to storage should be identified by category and should indicate a planned destruction date determined in accordance with the attached schedule. The individual responsible for carrying out this policy shall use these dates to identify records ready for destruction.

Individual department managers are responsible for the overall administration and enforcement of this policy. The Compliance Officer must monitor compliance with the retention periods and is specifically charged with overseeing periodic reviews of records in accordance with the policy. Oversight shall include creation of an index of active and inactive records as well as maintaining a "log book" in which all destroyed documents are recorded.

The legally-required retention periods set forth on the attached schedule presumes the operation of NYSID in the "ordinary course of business." Intentional destruction of records relating to litigation or governmental investigations may constitute a criminal offense. The Compliance Officer shall be responsible for suspending document destruction policies upon learning of civil litigation against NYSID, a federal or state government investigations, a formal audit by a governmental agency or enforcement proceeding, or if any of these actions are suspected, reasonably anticipated or have been commenced against NYSID, its officers, directors or employees. The Compliance Officer shall be responsible for notifying individuals at NYSID responsible for record retention activities to ensure that destruction of records is suspended until the litigation, investigation or proceeding is complete.

The Sarbanes-Oxley Act of July 30, 2002, makes it a crime to alter, cover up, falsify, or destroy any document to prevent its use in an official proceeding. Failure on the part of employees, volunteers, and Directors to follow this policy can result in possible civil and criminal sanctions against NYSID and its employees and possible disciplinary action against

responsible individuals (up to and including termination of employment). Each employee, volunteer, and Director has an obligation to contact the Compliance Officer and the General Counsel of a potential or actual litigation, external audit, investigation or similar proceeding involving NYSID that may have an impact as well on the approved records retention schedule.

**ATTACHMENT “A”**  
**CONFLICT OF INTEREST POLICY**

**Background**

The Directors, officers and key persons of New York State Industries for the Disabled, Inc. (“**NYSID**”) and any Affiliate of NYSID (together, “**Covered Persons**”) are responsible for upholding the public trust, and are called to a higher standard of stewardship in order to help NYSID to maintain the special privileges that it is afforded as a tax-exempt organization.

The Board of Directors of NYSID (the “**Board**”) has adopted this Conflict of Interest Policy (this “**Policy**”) in order to identify and resolve any possible conflicts between the personal interests of Covered Persons and the interests of NYSID, and thereby to help Covered Persons ensure that their actions meet or exceed this higher standard of stewardship.

As a federally tax-exempt organization, NYSID is subject to the requirements of Section 4958 of the Internal Revenue Code of 1986, as amended, and the Treasury regulations thereunder with respect to various dealings with disqualified persons. It is also subject to the New York Not-for-Profit Corporation Law with respect to its governance, including its procedures for handling conflicts of interest. The New York Non-Profit Revitalization Act of 2013 imposes several new requirements with respect to conflicts of interest, in addition to case law and common law that deals with these concerns. This Policy is intended to help NYSID to comply with these various federal and state law requirements.

No policy can anticipate the fullest range of factual circumstances which may entail a conflict of interest. Accordingly, it is important to interpret and apply this Policy in a way which best assists NYSID in meeting its obligations under the law.

Questions arising under this Policy should be forwarded to NYSID’s Vice President, Compliance (the “**Compliance Officer**”).

1. **Definitions**

- a. Affiliate – any entity controlled by or in control of NYSID.
- b. Related Party – any of the following:
  - i. The following living relatives of each Covered Person: spouse or domestic partner (as defined in New York Public Health law Section 2994-A); ancestors; brothers and sisters (whether whole or half-blood); children (whether natural or adopted); grandchildren; great-grandchildren; and spouses or domestic partners of brothers, sisters, children, grandchildren, and great-grandchildren.

- ii. Any entity or trust of which any individual described in subsection (i) above serves as a director, trustee, officer, or employee; and
  - iii. Any entity or trust in which any one or more individuals described in subsection (i) above have a 35% or greater ownership interest (or, in the case of partnerships or personal service corporations, a direct or indirect ownership interest of more than 5%).
- c. Key Person – any person, other than a director or officer, whether or not an employee of NYSID or an Affiliate, who (i) has responsibilities or exercises powers or influence over NYSID or an Affiliate as a whole similar to the responsibilities, powers, or influence of directors and officers; (ii) manages NYSID or an Affiliate, or a segment of NYSID or such Affiliate that represents a substantial portion of the activities, assets, income, or expenses of NYSID or such Affiliate; or (iii) alone or with others controls or determines a substantial portion of NYSID’s or an Affiliate’s capital expenditures or operating budget.

## 2. Application of Policy

This Policy applies whenever there is any proposed transaction, investment, arrangement, grant, program, or other activity in which (a) NYSID or an Affiliate would be a participant and one or more Covered Persons or Related Parties would have a financial interest or (b) there could be an actual or perceived conflict of interest in which the interests of a Covered Person or Related Party could be seen as competing with the interests of NYSID or an Affiliate (any such arrangement, a “Covered Arrangement”).

## 3. Procedures under Policy

The Board or the Conflicts and Ethics Committee shall review and make determinations on Covered Arrangements pursuant to the following processes:

- a. *Disclosure* – a Covered Person has a duty to disclose in good faith to the Board or the Conflicts and Ethics Committee the material facts of any proposed Covered Arrangement in which such Covered Person or a Related Party of such Covered Person has an interest. This disclosure should be made prior to any consideration of such Covered Arrangement by the Board or the Conflicts and Ethics Committee or promptly after such Covered Person has knowledge of the relevant facts if he or she has no actual knowledge prior to the relevant Board or committee action. The disclosure of a relationship may ameliorate a conflict and such disclosure shall not, by itself, constitute a conflict of interest.
- b. *Recusal* – Any person having an interest in a Covered Arrangement shall refrain from participating in or attempting to influence any decisions or votes regarding the Covered Arrangement, and shall retire from the meeting prior to any deliberations or votes on such Covered Arrangement. At the request of the Board or the Conflicts and Ethics Committee, such person may present

background information or answer questions regarding the Covered Arrangement prior to deliberations or votes.

- c. *Approval* – The Board or the Conflicts and Ethics Committee shall approve a Covered Arrangement only where a majority of the members of the Board or the Conflicts and Ethics Committee, not including any person having an interest in the Covered Arrangement, determines that the Covered Arrangement is fair, reasonable, and in NYSID’s best interests. If a Covered Person or a Related Party has a substantial financial interest in a Covered Arrangement, the Board or the Conflicts and Ethics Committee must make its decision in consideration of appropriate data as to comparable alternative arrangements, to the extent such data are available.
- d. *Record-Keeping* – The Board or the Conflicts and Ethics Committee must adequately document its decision and deliberations in the corporate records. Such documentation must reflect that the Covered Arrangement was disclosed, its resolution and any determinations made, and that any interested persons did not vote and were not present during deliberations and vote. If alternative arrangements were required to be considered due to the presence of a substantial financial interest, the minutes shall document such consideration as well.

#### 4. Annual Disclosure Statements

Prior to initial election and annually thereafter, each Covered Person shall complete, sign, and submit to the Secretary a written statement identifying, to the best of the Covered Person’s knowledge:

- a. Any entity or trust of which such Covered Person or a Related Party of such Covered Person is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee, and with which NYSID or an Affiliate is known to have (or is known to be in discussions to have) a relationship;
- b. Any transaction, agreement, or other arrangement in which NYSID or an Affiliate is a participant (or is known to be in discussions to be a participant) and in which the Covered Person or a Related Party of such Covered Person might have a conflicting interest; and
- c. Any other interests that could give rise to a Covered Arrangement.

The Secretary shall provide a copy of all completed disclosure statements to the Board or the Conflicts and Ethics Committee. All disclosure statements will be maintained with the board documents administered by the Administrative Assistant of NYSID.

## 5. Adoption, Implementation, and Compliance

The Board may make changes to this Policy from time to time, as it deems appropriate, and will oversee the implementation of, and compliance with, this Policy. The Secretary will endeavor to ensure that all Covered Persons file disclosure statements in accordance with this Policy. If any Covered Person fails to comply with the Policy's disclosure requirements, the Secretary will report such failure to the Board or the Conflicts and Ethics Committee, which will take appropriate corrective action.

**ATTACHMENT "B"**

**ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT**

Please complete the following disclosure statements. Write "N/A" if a statement is not applicable. Please attach additional sheets if necessary. Terms used in this Disclosure Statement but not defined have the meanings ascribed to them in the Conflict of Interest Policy.

- (1) Please list all entities or trusts in which you are or a Related Party of yours is a director, trustee, officer, member, owner (either as a sole proprietor or partner) or employee and with which NYSID or an Affiliate is known to have (or is known to be in discussions to have) a relationship (whether contractually or otherwise).

---

---

---

---

- (2) Please list any transaction, agreement, or other arrangement in which NYSID or an Affiliate is a participant (or is known to be in discussions to be a participant) and in which you or a Related Party of yours might have a conflicting interest.

---

---

---

---

- (3) Please list any other interests that you or a Related Party of yours may have that could give rise to a conflict of interest.

---

---

---

---

**ACKNOWLEDGMENT**

I acknowledge that (i) I have received the Conflict of Interest Policy of NYSID.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title(s):** \_\_\_\_\_

## ATTACHMENT "C"

### GUIDELINES FOR DISPOSITION OF E-MAILS

Work related e-mail is a corporate record and must be treated as such. It is the responsibility of the sender of the e-mail message and the recipient of messages from outside NYSID to manage e-mail messages according to this records retention policy. E-mail that does not meet the definition of a record (i.e., personal e-mail or junk e-mail) should be deleted immediately from the system.

NYSID's e-mail servers are NOT intended for long-term record retention. E-mail messages and any associated attachment(s) with retention periods greater than three (3) years should be kept in similar fashion to paper records or electronically stored in an appropriate file on the network drive, so that it may be maintained and stored in accordance with the records retention policy. It is important to note that the e-mail messages should be kept with the attachment(s). The printed or electronic copy of the e-mail must contain the following header information:

- who sent the message;
- to whom the message was sent;
- date and time message was sent; and
- subject.

When e-mail is used as a transport mechanism for other record types, it is possible, based on the content, for the retention and disposition periods of the e-mail and the transported record(s) to differ. In this case, the longest retention period shall apply.

An e-mail can be deleted once a paper copy has been printed or the e-mail has been stored electronically in a file on the network drive. The paper copy or the electronic copy must be retained for the correct time period as determined by this Record Retention Policy.

**ATTACHMENT “D”**  
**RECORDS RETENTION SCHEDULE**

<b><u>CATEGORY OF FILE</u></b>	<b><u>ITEM</u></b>	<b><u>RETENTION PERIOD</u></b>
<b>CORPORATE RECORDS</b>	Articles of Incorporation	Permanent
	Bylaws	Permanent
	Board, standing and other committee meeting minutes and resolutions	Permanent
	Board, standing and other committee meeting agendas and materials	7 years
	Conflict of interest disclosure forms	7 years
<b>FINANCE and ADMINISTRATION</b>	Accounts payable ledger	7 years
	Accounts receivable ledger	7 years
	Audited financial statements	Permanent
	Auditor management letters	Permanent
	Audit work papers	7 years
	Bank deposits, statements and reconciliations	7 years
	Budget information	7 years
	Charitable organization registration statements (filed with NYS Attorney General)	7 years
	Chart of accounts	Permanent
	Check register, vendor invoices and cancelled checks	7 years
	Contracts and agreements	7 years after all obligations end
	Donor fund statements	7 years
	Equipment files and maintenance records	7 years after disposition of equipment
	Expense reports	7 years
	General ledgers	Permanent
	Journal entries	7 years
	Monthly closing information and reports	7 years
	Treasurer 's reports	Permanent
	Investment manager and custodian contracts and related correspondence	Permanent
	Investment consultant reports	7 years
<b>INSURANCE FILES</b>	Policies -occurrence type	Permanent

<b><u>CATEGORY OF FILE</u></b>	<b><u>ITEM</u></b>	<b><u>RETENTION PERIOD</u></b>
	Policies - claims-made type	Permanent
	Fire inspection reports	7 years
	Claims (after settlement)	7 years
<b>REAL ESTATE and OTHER TANGIBLE PROPERTY</b>	Deeds	Permanent
	Leases (expired)	7 years after all obligations end
	Mortgages, notes and security agreements	7 years after all obligations end
	Purchase/Sale agreements	7 years after disposition of property
<b>TAX</b>	IRS audit closing letters	Permanent
	IRS exemption determination and related correspondence	Permanent
	Tax related correspondence with legal counsel or accountants	7 years after return is filed
	Tax returns	7 years after return is filed
	Tax return work papers	7 years after return is filed
<b>DEVELOPMENT</b>	Fund agreements (signed)	Permanent
	All correspondence and/or solicitation materials relating to terms of the fund	Permanent
	Bequest accounting records	7 years after estate is probated
	Charitable gift annuity contracts	Permanent
	Documents related to termination of a private foundation	Permanent
	Gift acknowledgments- standard	7 years
	Insurance policies for donors	Permanent
	Trust agreements and correspondence including agreements for pooled life income funds	Permanent
<b>COMMUNICATIONS</b>	Annual reports	After 7 years, keep 5 copies permanently
	Commissioned research reports/surveys	Permanent
	Other publications	Permanent

<b><u>CATEGORY OF FILE</u></b>	<b><u>ITEM</u></b>	<b><u>RETENTION PERIOD</u></b>
	Press clippings	Permanent
	Press releases	7 years
<b>COMMUNITY PHILANTHROPY</b>	Approved grant applications - all documentation supporting grant payment, including application/ recommendation, due diligence, grant agreement letters and post grant reporting, if any.	7 years after completion of grant period
	Declined/withdrawn grant applications	7 years after application is declined or withdrawn
	Listings of Board approved grants	Permanent
<b>HUMAN RESOURCES</b>	Benefits: retirement plans (plan descriptions, plan documents)	Permanent
	Benefits: welfare plans (plan descriptions, plan documents)	Permanent
	Consultant contracts/files	7 years after all obligations end
	Contracts with employees	7 years after all obligations end
	Employment applications and resumes -non-employees	1 year
	Employee hand books	Permanent
	Employee orientation and training materials	7 years after use ends
	Employee personnel files	7 years from date of termination
	IRS Form I-9 (store separate from personnel file)	Greater of 1 year after end of service, or 3 years
	Payroll records	Permanent
	Safety (OSHA) reports	Permanent
	Timesheets	7 years
	Withholding tax statements	7 years
Workers compensation claims (after settlement)	10 years	
<b>TECHNOLOGY</b>	Software licenses and support agreements	7 years after all obligations end

<u>CATEGORY OF FILE</u>	<u>ITEM</u>	<u>RETENTION PERIOD</u>
<b>GENERAL ADMINISTRATION</b>	Correspondence - general (other than correspondence having temporary, limited or transitory value)	7 years
	Correspondence - President and CEO	7 years
	Correspondence with legal counsel not otherwise listed	7 years
	Appointment calendars -President and CEO	7 years

**ACKNOWLEDGMENT**

I acknowledge receipt of the NYSID Corporate Compliance Plan.

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_